

Testimony Before The House Committee on Agriculture
July 24, 2006
Scottsburg, Indiana

I, Rodney Hager, would like to thank Congressman Sodrel and the US House AG Committee for this invitation to address issues that will affect the 2007 Farm Bill.

After having been asked to testify, I contacted several producers around the state and ask what they would like in the 2007 Farm Bill, the majority said they would like to see the 02-Farm Bill continued. I have worked with the FSA, the NRCS, and the Purdue Extension Service for over 30 years and I am very appreciative of their assistance. However, there are some things we would like to see changed in the 07 Farm Bill.

1. FSA paid producers for all conservation cost share programs for years. FSA has all the banking and eligibility information on hand, which NRCS now has to duplicate in their system in order to make the cost share payments. NRCS has the experience and experts to take care of technical fieldwork. FSA has the experience and experts to handle the paper work and pay for cost share in a timely manner. When FSA handled cost share payments producers received their cost share within a few days. Producers have waited weeks and even months to receive their payments from NRCS. Why change things that were working fine plus the additional expense in duplicating records?
2. FSA & NRCS should continue to have a presence in every county in the state. Congress writes the farm bill for farmers, these are complicated pieces of legislation that needs to be explained to the producers. If we close down county offices and merge them, we will lose the local contact we now have with all producers. The large producers will continue to participate in the programs but we will lose the small family farmer. Using the ideas that are in the paragraphs prior to and following this one could offset some of the cost of keeping the county offices open.
3. The current DCP program gives producers the flexibility they need in planting and marketing their grain. When the cash markets drop, the government steps in and pays a counter cyclical payment to help support the low cash grain prices. To reduce the cost of the current program, only farmers who have the applicable crops planted should receive the applicable counter cyclical payment. The way the program is now written if a counter cyclical payment is due all producers in the program receive the payment, even the producers who haven't planted a crop. Those producers have no risk and are losing nothing when the cash market is low because they have no crop. We would save millions if only the farmers who plant a crop would receive the counter cyclical payments.
4. Give local people more of a voice in how conservation spending is used. Every Soil and Water Conservation District is different and local people can better decide what works best for them. In Indiana there is a great difference in what conservation programs can do for people in the northern part of the state compared to what the same ones will do for people in the south.
5. Programs need to be less complicated. Some programs are so complicated we lose sight of what we are trying to accomplish and this keeps some producers from participating.
6. More money should be spent on conservation programs and get the cost share to at least 50% or greater. On some practices cost share has been reduced to 20%, while at the same time requirements have changed. In the past, we have used utility poles for posts when building cross fencing and building fence to keep livestock out of streams and ponds. Indiana has changed the rules and we can no longer use them for cost share projects. We are being required to purchase higher priced and inferior products. On my farm I have used utility poles for fence post in the past and have gotten cost share. If they have been good enough in the past, why change now?

7. In Indiana as we move forward with energy conservation and will be producing ethanol and bio-diesel fuels, we are going to produce bi-products that are capable of being used for livestock feed. In order to benefit the farmer, additional research needs to be done to use these products in a more effective and cost efficient way for all species.

As farmers face the changing dynamics of American agriculture, it is imperative that they be exposed to the latest research findings from the Land Grant Universities to be able to take advantage of new technology and business and entrepreneurial opportunities that this research provides. Continued strong federal support to provide this essential research is necessary if American farmers are to remain competitive in the global economy.

It is equally important that we maintain a strong and viable local Extension Service to connect these research findings and opportunities to the farm communities. No system can bring the needed research-based knowledge to our local communities better than the Land Grant Universities with their County Extension Services.

8. In today's economy the only way smaller producers can compete with the larger ones is if they can create a value added merchandizing venture that satisfies a niche market. These ventures add to the viability, competitiveness, and sustainability of local producers and help them remain economically viable and capable of supporting their families. We would like to see the 2007 farm bill include more funding for feasibility studies, marketing plans, and start-up capital for local value added agricultural ventures of all sizes by local producers. Local food needs to be consumed locally to minimize costs to the consumer, due to escalating costs such as transportation.
9. Producers would like to see the Grassland Reserve Program updated.
10. More funding support is needed for young people who would like to farm. With the price of land and equipment escalating, it is nigh impossible for them to enter the industry. Farmers make up less than 2% of our population and are decreasing in number every year. If this trend continues, only huge farm operations will be in business and the small and medium size family farms will be gone.
11. By-products from corn and soybeans made in to fuel in Indiana will make Indiana more cost effective and competitive in feeding livestock. We will soon have more cattle finished within the state. At this time if a producer wants to sell his beef or lamb to a retail or wholesale market that requires a USDA quality grade, such as prime or choice, the producer must pay a prohibitive fee for a federal grader to come from out-of-state to do the grading. The cost can run into hundreds or even thousands of dollars, depending on which state the grader is coming from. A USDA meat grader is urgently needed for Indiana, if the Indiana livestock industry is to grow and to supply locally high quality food to local consumers.

Again I want to thank everyone for the chance to express some of the concerns of Indiana producers about the 2007 Farm Bill.

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Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Rodney B HAGER
Address: 7738 N 475 W ORLEANS IN. 47452
Telephone: 812-865-2429
Organization you represent (if any): Hager Farms

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

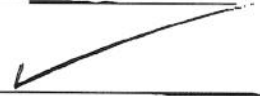
Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you:



Signature: _____

Rodney B. Hager

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Committee on Agriculture

U.S. House of Representatives

Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: RODNEY B. HAGER
2. Business address: 7738 N 475 W
OLAANS, IN. 47452
3. Business Phone Number: 812-865-2429
4. Organization you represent: HAGER FARMS
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
FARMER
BEEF PRODUCER
CONSTRUCTION BUSINESS
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
HAVE WORKED WITH THE FSA + NRCS +
Purdue Extension Service for over
30 years.
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.